

Treasurer's Report to 2017 AGM

Service charges, forecasts and budget

1. The financial position of the company is strong. I recommend holding the service charge at £130 per month in 2017-18.
2. I have forecasted balances based on the following assumptions:
 - service charge of £130 per month until 2018-19 and rising in line with inflation of 3.5% per year thereafter
 - next painting in 2020 then three yearly painting with fascias rubbed down in 2020 and every 6 years thereafter.
 - Painting costs in line with 2017 + inflation
 - resurfacing the access road at a cost of £37,000 (2012 prices) in 2019-20 and again after 25 years
 - resurfacing the circular path after 40 years at a cost of £13,000 (2014 prices)
3. Under these assumptions balances rise to a maximum of 8 times normal annual expenditure just before resurfacing the access road and fall to a minimum of 4 times normal expenditure just afterwards. I believe this is ample to meet most unexpected events without recourse to a one off special levy on owners.
4. A budget for 2017-18 is included as an annex to this report.

2016-17 Out-turn

5. The company had a surplus of £22,559 on ordinary activities for 2016-17, leaving it with cash balances of £125,330 at year end made up as follows:

• Lloyds	£17,980
• Co-Operative Bank	£70,660
• Hampshire Trust Bank 1 Year Bond	£36,690

5. These balances are before paying any bills for the 2017 painting and its supervision.
6. Administration costs included annual return filling fee, web hosting costs and copying costs for the AGM notice.

David Howes (No 7) Treasurer

Annex – 2016-17 Out-turn and 2017-18 Budget (Excl Painting)

	2016-17		2017-18
	Budget	Out-turn	Budget
Income			
Maintenance contributions	35880	35880	35880
Gross Interest	967	716	738
Right of Way receipts	778	779	795
Other Income	0	0	0
Total income	37625	37375	37413
Expenditure			
Water rates	200	149	152
Electricity	800	906	925
Insurance	746	769	785
Trees and shrubs	2500	460	470
Grounds maintenance	6005	7523	7679
General repairs	1500	494	504
Road and path resurfacing	0	0	0
Rewiring	0	0	0
Cator Estate Charges	3410	3372	3442
Other Asphalt Work	2175	0	2231
Administration	100	112	114
Audit and accountancy fees	874	888	906
Total expenditure	18310	14673	17209
Surplus on ordinary activities	19315	22702	20204
Tax	193	143	148
Surplus on ordinary activities after tax	19122	22559	20057